

Milwaukee County Employees' Retirement System (ERS)

Investment Committee Meeting

MINUTES

Call to Order

Committee Chairperson, Dr. Sarah Peck, called the meeting to order at 2:30 p.m. on September 6, 2011, in Room 203-P, Milwaukee County Courthouse, 901 N. 9th Street, Milwaukee, Wisconsin.

Roll Call

Board Members Present:

Sarah Peck
John Maier
Keith Garland

Others Present:

Matt Hanchek	Brett Christensen
Marian Ninneman	Nat Kellog
Dale Yerkes	

Two handouts were provided to the Board members and others in attendance:

- Marquette Associates – Market Values – 8/31/11
- Asset Allocation Analysis

1. Topic: Monthly Flash Report – Marquette

No monthly flash report was available at the time of this meeting. Mr. Christensen did say that the markets were down in August and, as of the meeting date, September as well. He indicated that because of our current conservative asset allocations our portfolio was doing pretty well. Updated market values will be available before the Pension Board meeting and will provide information relative to the rebalancing discussion.

2. Topic: Asset Allocation -- Marquette

Various portfolio options were presented by Marquette for discussion along with associated risk factors of each. Mr. Kellog is Marquette's Research Analyst for Hedge and Private Equity funds. He provided a summary of the Asset Allocation Analysis and responded to questions from committee members.

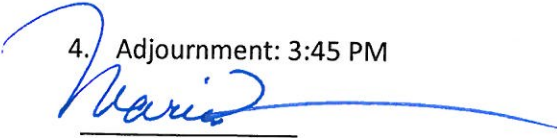
The options presented propose a slight shift in asset allocation from fixed income into private equity. Marquette indicated they typically tell clients that when Private Equity funds are part of their portfolio at least 5%, if not 6%, should be allocated. The ERS allocation is only at 3%. Discussion followed regarding enhancement in how our Private Equity fund is managed to possibly include a second manager who would concentrate on secondary market opportunities. Board members unanimously felt it was time to either increase the percentage invested in Private Equity or exit this asset class.

Mr. Christensen will review the Asset Allocation Analysis with the full Board at the September 21, 2011 meeting. The recommendation will be made to increase the private equity allocation.

3. Topic: Private Equity -- Discussion

Private Equity discussion was included as part of the Asset Allocation topic above.

4. Adjournment: 3:45 PM



Marian Ninneman
Interim ERS Manager